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PIPER & MARBURY

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December 28, 1989

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WASHINGTON, D.C. 20036
202-861-3900

9-362A079

RECORDATION NO.

FILED 1425

DEC 28 1989 -2 45 PM

INTERSTATE COMMERCE COMMISSION

BY HAND

Ms. Noreta R. McGee, Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N. W.
Washington, D. C.

Dear Ms. McGee:

Enclosed are two originals and two copies of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Bill of Sale, a secondary document, dated as of December 1, 1989, and executed by PHH Financial Services, Inc., for the benefit of New England Merchants Funding Corporation. The primary document to which this document is connected is the Master Equipment Lease Agreement between PHH Financial Sources, Inc. and Horsehead Industries, Inc., previously filed with the Interstate Commerce Commission under Recordation No. 16049-D.

The names and addresses of the parties to the Bill of Sale are as follows:

Vendor: PHH Financial Services, Inc.
11333 McCormick Road
Hunt Valley, Maryland 21031

Vendee: New England Merchants Funding Corporation
28 State Street
Boston, Massachusetts 02109

Concluded by Beth M. Hopkins

Ms. Noreta R. McGee
December 28, 1989
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PIPER & MARBURY

The equipment covered by the above document consists of 50 used railroad gondola cars and all improvements thereto, identified by the manufacturer, car number and year built on Exhibit A attached hereto.

A fee of \$15.00 is enclosed. Please return an original of the document and any extra copies not needed by the Commission for recordation to the undersigned.

A short summary of the document to appear in the index is as follows:

Bill of Sale executed by PHH Financial Services, Inc., 11333 McCormick Road, Hunt Valley, Maryland 21031, for the benefit of New England Merchants Funding Corporation, 28 State Street, Boston, Massachusetts 02109, dated as of December 1, 1989 and covering 50 railroad gondola cars.

Very truly yours,

A handwritten signature in cursive script that reads "Randall D. Sones".

Randall D. Sones

Enclosure
cc: William F. Brown, Esquire

EQUIPMENT LISTING

The following Car numbers represent fifty (50) 40', 2200 cubic feet, 100 ton Gondolas manufactured by the Midwest Freight Car Company in 1976:

MQCX-2
MQCX-3
MQCX-4
MQCX-5
MQCX-7
MQCX-8
MQCX-9
MQCX-10
MQCX-11
MQCX-12
MQCX-13
MQCX-15
MQCX-16
MQCX-17
MQCX-18
MQCX-19
MQCX-20
MQCX-21
MQCX-22
MQCX-23
MQCX-24
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MQCX-26
MQCX-27
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MQCX-30
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MQCX-35
MQCX-36
MQCX-37
MQCX-38
MQCX-40
MQCX-42
MQCX-44
MQCX-45
MQCX-46
MQCX-47
MQCX-48
MQCX-49
MQCX-50
MQCX-51
MQCX-52
MQCX-53
MQCX-54
MQCX-59
MQCX-61

RECORDATION NO. 26048-2 FILED 1989

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BILL OF SALE

INTERSTATE COMMERCE COMMISSION

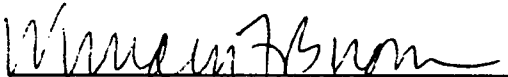
PHH FINANCIAL SERVICES, INC., (hereinafter "PHH") for good and valuable consideration, the receipt of which is hereby acknowledged, hereby transfers and conveys to NEW ENGLAND MERCHANTS FUNDING CORPORATION ("Assignee") all its legal right, title and interest in and to that equipment more fully described on Schedule Nos. 1 to 2 of the Master Equipment Lease Agreement between PHH, as lessor, and HORSEHEAD INDUSTRIES, INC., as lessee, dated as of August 8, 1989, (the "Equipment"), to have and to hold the same unto it, its successors and assigns, forever. PHH, its successors and assigns, warrant the Equipment to be free and clear of any encumbrances and agree to defend the title to such Equipment for the benefit of Assignee, its successors and assigns, against all persons.

PHH MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, AND THERE IS NO IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

IN WITNESS WHEREOF, PHH has signed this Bill of Sale as of the 1st day of December, 1989.

ATTEST:

PHH FINANCIAL SERVICES, INC.



William F. Brown
Assistant Secretary

By:


Gregory K. Hare
Vice President

ACKNOWLEDGEMENT

State of Maryland

County of Baltimore. ss:

On this 21st day of December, 1989 before me personally appeared, Gregory K. Hare and William F. Brown, to me personally known, who being by me duly sworn, say that they are the Vice President and Assistant Secretary of PHH Financial Services, Inc., respectively, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Mary K. Whitener
Notary Public

My commission expires July 1, 1990

